

Minutes of the Finance Committee

Wednesday, November 4, 2009

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl (Chair), Pamela Meyer, Steve Wimmer, Rob Hutton, Bill Zaborowski, Jean Tortomasi, and Jim Heinrich.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Dave Krahn, Administration Director Norm Cummings, Budget Specialist Linda Witkowski, Budget Manager Keith Swartz, Business Manager Lyndsay Johnson, Deputy Inspector Eric Severson, Airport Manager Keith Markano, Airport Operations Assistant Kurt Stanich, and County Board Supervisors Bonnie Morris, Dave Swan, Kathleen Cummings, Duane Paulson, and Fritz Ruf. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of Previous Meeting(s)

MOTION: Tortomasi moved, second by Wimmer to approve the minutes of October 7, 2009. Motion carried 7-0.

MOTION: Wimmer moved, second by Hutton to approve the minutes of October 8, 2009. Motion carried 7-0 as amended by Haukohl.

MOTION: Heinrich moved, second by Tortomasi to approve the minutes October 14, 2009. Motion carried 7-0.

MOTION: Heinrich moved, second by Meyer to approve the public hearing minutes and the regular meeting minutes of October 21, 2009. Motion carried 7-0 as amended by Haukohl (regular meeting minutes).

MOTION: Tortomasi moved, second by Zaborowski to approve the minutes of October 22, 2009. Motion carried 7-0.

MOTION: Heinrich moved, second by Tortomasi to approve the minutes of October 26, 2009. Motion carried 7-0.

Schedule Next Finance Committee Meeting Date(s)

- November 18

Fund Transfer 09-015000-1: Department of Administration – Transfer Funds from Operating Expenses to Personnel Costs

Cummings discussed this fund transfer as outlined which involves transferring \$55,800 to cover estimated costs exceeding budget for salaries by \$33,200 and health insurance by \$22,600.

Cummings indicated this is mainly due to lower cost savings from less employee vacancy and turnover than budgeted and additional health insurance costs related to employee plan selections. Funds are available due to lower than budgeted spending for contracted services primarily for

Information Technology; outside printing services; outside third-party temporary help; and pre-employment medical screening.

Haukohl asked what contracted services were cut in Information Technology. Cummings said they are using less consulting because the money is there in case there are turnovers – they can't fill them very quickly and some of them are on projects. We go out and get consultants to fill in. There has been almost no turnover in the general fund and this is another reason why their budget is so tight. Staff have been asked to hold off spending money in the consulting budget.

MOTION: Tortomasi moved, second by Zaborowski to approve Fund Transfer 09-015000-1, Department of Administration. Motion carried 7-0.

Review Estimated 2009 Governmental Fund Balances (General, Special Revenue, Capital, Debt)

Cummings gave a brief overview the County's fund balance policy and he distributed summaries of projected fund balances for 12-31-09 and 12-31-10. For year-end 2009, the total projected unreserved fund balance was listed at \$30,270,091. Cummings distributed information on capital projects fund balances from 1998 through 2009. The year-end 2009 capital projects fund balance (all non-major capital projects funds) was listed at \$3,047,400 and the year-end 2009 reserved fund balance for debt service was listed at \$4,097,765.

Discuss Additional Individual Supervisor Amendments Including but not Necessarily Limited to Increasing Revenue and Expenditure Authority for a City of Pewaukee Police Services Contract

Haukohl said the only additional amendment for the 2010 budget, submitted by Judiciary Chair Bonnie Morris, is for revenue and expenditure authority for a City of Pewaukee police services contract between the City and the County. Haukohl noted this amendment authorizes accepting expenditures and revenues into the 2010 budget with a \$0 County tax levy impact. Morris advised the ordinance to approve the contract will be forthcoming. The amendment was discussed at length.

Johnson said the contract would involve hiring 18 people: 15 deputies, two lieutenants, and one detective. She said the majority of the expenditures are for salary and benefits. Operating expenditures include radios and some small equipment purchases such as tasers, ammunition, etc. Interdepartmental charges include fuel, vehicle maintenance, technology, and additional Workers Compensation/insurance costs that the County will incur because of the additional employees. Johnson said we are appropriating about \$1.9 million in revenues and \$105,000 in fund balance associated with this contract. She advised the majority of the fund balance is for one-time equipment purchases. The City will be charged a portion of the useful life of the equipment each year until we get that revenue back. The Vehicle Replacement Fund will be amended by \$110,000 to purchase five vehicles and the City will be charged for replacement. Severson indicated they will start negotiating with the City tomorrow to determine what equipment of theirs is viable and what needs to be purchased.

Haukohl asked would the County be responsible for unemployment compensation for those positions, for example, if the contract were to cease in the future. Severson said as part of the contract, the City of Pewaukee agrees to cover Unemployment Compensation in the event we need

to lay people off as a result of the contract being terminated for whatever reason. Cummings added that it is our liability, however, the contract provides for the City to reimburse the County.

To answer Haukohl's question, Johnson advised indirects will be handled the same as all other contracts which she explained further. Cummings noted we are covering all our costs and risks and getting some benefit from the indirects while the City is getting a high quality service for less money. He said the contract is good for the County and good for the City.

To answer Hutton's question, Severson said the reason the County's cost is less expensive than the City's is due to administrative overhead and some savings in the Detective Bureau. It was determined that three full-time detectives were not necessary to cover their caseload. Historically, the Sheriff's Department has stepped in to help municipalities on cases when they need help and share our resources. Severson added that communities in which we contract with determine their own service levels.

To answer Tortomasi's question, Severson indicated building-related costs such as heating, lighting, and cleaning will continue to be the responsibility of the City.

To answer Heinrich's question, Severson said every attempt will be made to hire existing City of Pewaukee officers. They will be screened to the level of all other civil service employees. Severson advised they will be subject to Act 40 which allows them to bypass civil service to the extent that they won't be taking a written test. Everything else, however, applies: physical agility, interviews, background investigations, psychological, polygraph, medicals.

Krahn noted this police contract, with a city, is the first in the state to take advantage of a newer law.

MOTION: Heinrich moved, second by Tortomasi to approve Amendment SPVR 1. Motion carried 7-0.

Swartz distributed revised 2010 budget figures which encompasses the three amendments approved by the Finance Committee (Oct. 26 and Nov. 4). Total expenditures are budgeted at \$261,796,057 – an increase of \$5,341,935 or 2.1% from the 2009 adopted budget. Swartz said when we net out the interdepartmental charges and we adjust up for health and dental insurance cross-charges, the total is \$33,915,887 – an increase of \$1,179,611. Net expenditures are actually \$227,880,170 – an increase of \$4,162,324 or 1.9%. Revenues are budgeted at \$150,804,085 – an increase of \$4,793,189 or 3.3%. None of the amendments affected the County tax levy which is budgeted at \$95,717,457 (excluding Library) – an increase of 2.8% from the 2009 adopted budget.

Ordinance 164-O-059: Adopt 2010 Waukesha County Budget

MOTION: Tortomasi moved, second by Zaborowski to approve Ordinance 164-O-059. Motion carried 6-1. Hutton voted no.

Discuss and Consider Replacement of Digital Recorder at Airport

Markano provided a written and verbal explanation of this issue which involves replacing an airport control tower digital voice recorder which is no longer operable or serviceable. The equipment is

bid at \$18,495 and the County will receive 95% federal reimbursement of \$17,570. No fund transfer is necessary.

State Legislative Update

Krahn said Rep. Gundrum's bill requires that an individual picked up for DUI must pay for the cost of the blood test. This was approved by the Assembly on a voice vote. These revenues would go to the State.

AB 159, strongly supported by our Treasurer, makes changes to charge-backs of refunded or rescinded taxes and the sharing of those collective taxes. This was also approved by the Assembly on a voice vote.

There was a joint hearing on the indigency bill, which updates income eligibility for public defenders, and nobody voiced opposition. The Senate voted it out and so did the Assembly. In the Assembly, the vote was 8-2 with Zipperer and Gundrum voting no. These bills are ready for floor action. The indigency bill would not become effective until 2011. Income eligibility requirements have not been not updated since 1980.

Small claims legislation was introduced to increase the limit on small claims from \$5,000 to \$10,000 although nothing has happened with these bills. The current proposal is problematic for counties, particularly due to additional costs that are not covered.

Regarding DUI legislation, the Senate's version with the liquor tax was pulled from the bill and instead they will fund it by increasing the fee people must pay to get their licenses reinstated by \$40. In addition, they increased the criminal surcharge by \$143. Krahn did not think these were reliable revenue sources and Haukohl agreed. The Senate may take this up tomorrow.

A senate bill was recently introduced which gives counties the option to use county jail funds at the Sheriff's discretion for medical and educational services. Currently, these funds can only be used for construction purposes. Our sheriff supports this bill.

The local government property tax insurance premium (a holiday for paying the premium) was approved by the Assembly on a voice vote. Swartz said the County is opposed to the holiday which he explained in detail.

MOTION: Heinrich moved, second by Wimmer to adjourn at 10:44 a.m. Motion carried 7-0.

Respectfully submitted,

Pamela Meyer
Secretary